

policies pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to the Government of Libya to reduce its ability to support international terrorism.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Albert Gore, Jr., President of the Senate. This letter was released by the Office of the Press Secretary on January 5.

Letter to Congressional Leaders Transmitting a Report on Cyprus

January 2, 1998

Dear Mr. Speaker: (Dear Mr. Chairman:)

In accordance with Public Law 95-384 (22 U.S.C. 2373(c)), I submit to you this report on progress toward a negotiated settlement of the Cyprus question. The previous submission covered progress through July 31, 1997. The current submission covers the period August 1, 1997, to September 30, 1997.

Highlights of the reporting period include the U.N. sponsored talks between President Clerides and Turkish Cypriot leader Denktash held in Glion-sur-Montreux, Switzerland; U.S. Special Cyprus Coordinator Miller's trip to the region; and U.S. success in convening direct talks between the Greek and Turkish Cypriot leaders on security issues.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Jesse Helms, chairman, Senate Committee on Foreign Relations. This letter was released by the Office of the Press Secretary on January 5.

Remarks Prior to a Meeting With the Economic Team and an Exchange With Reporters

January 5, 1998

Federal Budget

The President. Good afternoon and happy new year to all of you. I'm glad to be back at work, and I'm looking forward to 1998.

We can begin the year with some good news. I can now say that we believe that the deficit this year will be less than \$22 billion. That means that it will decline for the 6th year in a row, a truly historic event. Twenty-two billion dollars is a far cry from the \$357 billion the deficit was projected to be this year when I took office or the \$90 billion it was projected to be when the balanced budget agreement was enacted. So we have come a very long way.

I can also say that the budget that I present to the Congress in February will be a balanced budget for 1999. Again, this will be the first time in 30 years we've had a balanced budget, and that's good news for the American people and for the American economy. It continues the successful economic policy that we adopted beginning with the budget in 1993, which was the first major step.

We have followed a policy of investing in our people, expanding the sales of American goods and services overseas, and practicing fiscal discipline. We reversed 12 years of trickle-down economics in which the deficit of this country exploded year after year and our national debt was quadrupled. So we have taken a different course, and thanks to the hard work and productivity of the American people, it is working. And I'm very, very pleased about it.

Now, what we have to do now is to build on it, first with the balanced budget to keep interest rates down and keep the economy growing, secondly with other policies which I will be outlining in the State of the Union. I welcome other people to the debate.

But let me say, I want to caution everyone that I will do everything that I can to prevent anyone from using a projected future surplus as a pretext for returning to the failed policies of the past. We do not want to go back to